

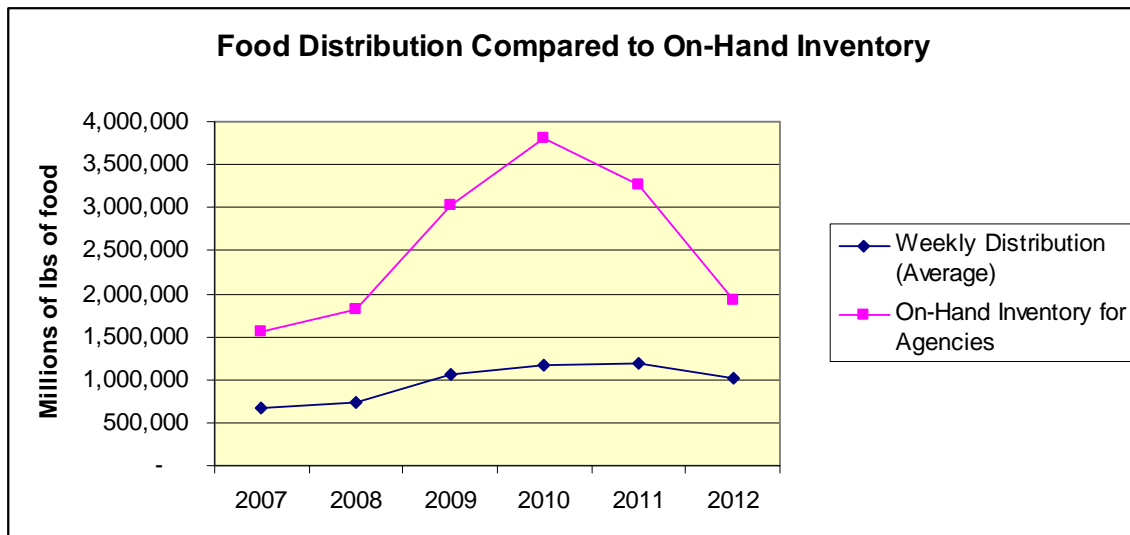
Los Angeles Regional Food Bank Policy Brief

Charitable Food Assistance Programs Constrained by Tight Food Supplies

Since the Great Recession started in 2008, the Los Angeles Regional Food Bank and the agencies served by the Food Bank have collectively been able to increase food volume in an attempt to meet the growing demand for food assistance. However, as outlined in the Food Bank's November 2011 *Policy Brief*, a decrease in commodities from the U.S. Department of Agriculture has resulted in demand outstripping supply. Events of the past nine months have solidified this trend as the Food Bank and charitable agencies such as food pantries look for new ways to meet the continued high demand for food assistance.

The elevated demand for food is primarily due to Los Angeles County continuing to have one of the highest unemployment rates in the nation. Out of a total labor force of 4.8 million people in Los Angeles County, 540,800 people were unemployed in July 2012 (11.2 percent seasonally adjusted unemployment rate) compared to 263,200 people (5.6 percent) when the recession began in late 2007.¹ This doubling of the number of unemployed workers since the beginning of the recession has led many of these former wage earners to seek food assistance. In addition, interviews of food recipients indicate that many adults are still working but are working fewer hours per week, which has placed considerable pressure on their household budgets.

The lower USDA commodity volume has impacted food banks nationwide and tightened



¹ State of California Employment Development Department Monthly Labor Force Data for Counties, [http://www.calmis.ca.gov/file/lfmonth/la\\$pds.pdf](http://www.calmis.ca.gov/file/lfmonth/la$pds.pdf) and <http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE> accessed October 1, 2012.

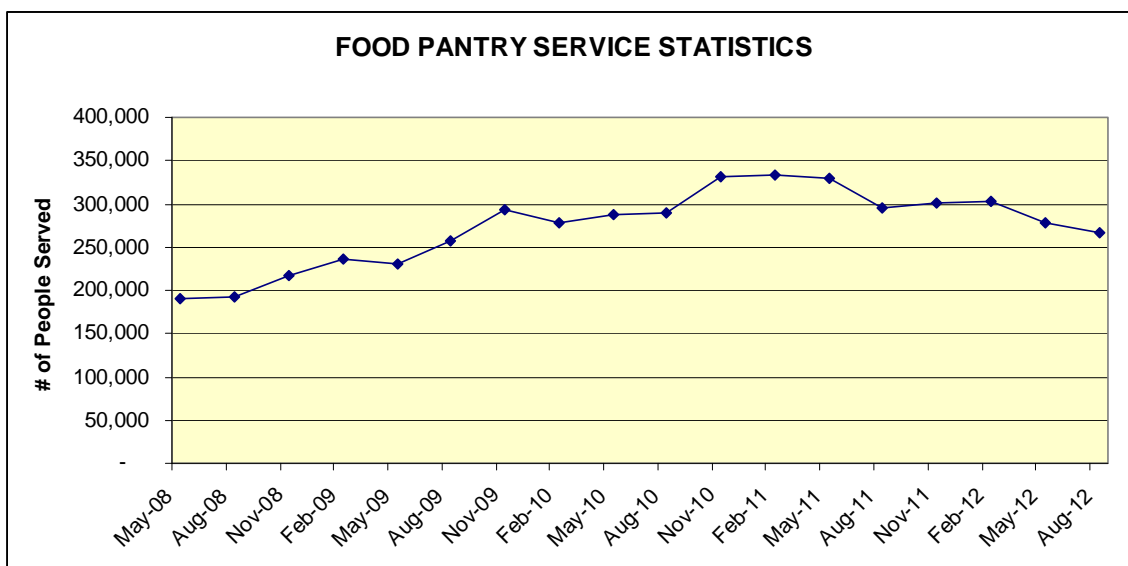
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the Los Angeles Regional Food Bank's on-hand inventory as indicated in the graph on page one. The Food Bank has increased weekly distribution volume from 675,000 pounds of food in 2007 to more than 1 million pounds. For this same time period, on-hand inventory increased until it peaked in 2010 at 3.8 million pounds, the equivalent of 3.3 weeks of supply. Then, as USDA commodity volume decreased, on-hand inventory has decreased to 1.9 million pounds of food, the equivalent of less than 2 weeks of supply, the lowest amount in recent history.

The lower USDA volume is due the USDA reducing "bonus" commodity purchases for The Emergency Food Assistance Program (TEFAP) during the past twelve months. When commodity prices increase, the USDA has less of a need to make commodity purchases in order to stabilize agricultural markets. The Food Bank's primary source of food, donations from retailers, manufacturers, farmers and other food industry companies, has remained strong but not at a level to replace the lost USDA commodities.

In addition to lower USDA commodities, a change in the timing of the release of Emergency Food and Shelter Program (EFSP) funds has impacted both charitable food and shelter programs. EFSP is administered by the Federal Emergency Management Agency and usually is received by food charities and shelters at the beginning of the calendar year. For the past two years, due to ongoing federal budget debates, EFSP funds have been released in August. This significant delay has impacted many charitable food and shelter programs as they attempt to meet basic operating expenses.

As outlined in the chart below, the number of people served by the food pantries of the Food Bank has increased from 190,600 people served monthly in 2008 and reached a



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peak of 330,000 people served in mid-2011. Food pantry service has since decreased to 267,400 people served monthly in the summer of 2012, which remains 40 percent higher than pre-recessionary times. Many food pantries report that if the food resources were available, they could continue to serve the number of people at the 2011 levels.

Another factor that indicates an unmet need is the total number of agencies seeking to provide food assistance locally. In the summer of 2011, the number of charitable agencies served by the Food Bank reached a record 640 agencies. With food supplies tightening, the Food Bank made the decision for the first time in its history to institute a waiting list for prospective new agencies. Fifteen months later, the waiting list now totals 565 agencies. In other words, there are 565 additional agencies requesting assistance from the Food Bank; however, current inventory levels are insufficient to start serving these new agencies.

The Importance of the CalFresh Program

Given that the Food Bank has a finite amount of food to distribute, the service provided by the CalFresh Program, formerly known as the Food Stamp Program, is a critical aspect of food assistance. The number of Los Angeles County residents receiving CalFresh benefits has increased markedly since the beginning of the recession. The CalFresh Program is designed to respond quickly to an economic downturn, so it is not surprising that CalFresh participation has increased due to the increase in unemployment. According to July 2012 data, 1.1 million Los Angeles County residents received CalFresh benefits, a 70 percent increase from December 2007 when the recession began.² For the month of July 2012, \$170 million of CalFresh benefits were received by Los Angeles County residents.³ Due to the economic “multiplier” effect of these benefits, the \$170 million is calculated to have had a \$304 million impact on the local economy on a monthly basis.⁴ However, the State of California continues to have one of the lowest participation rates in the nation, so there continues to be a significant opportunity to reach more residents through the CalFresh Program.

The Food Bank has been active in CalFresh outreach since 2001 and currently employs a team of seven outreach workers who travel to food pantries and other sites to identify people eligible but not receiving CalFresh. Our outreach team then helps them through the application process. The result is that families and individuals begin to access a benefit that they desperately need while also taking some pressure off the food pantry.

² California Department of Social Services Food Stamp Report, <http://www.cdss.ca.gov/research/res/pdf/DFA256/2011/DFA256Sep11.pdf> and <http://www.cdss.ca.gov/research/res/pdf/DFA256/2012/DFA256Jul12.pdf> accessed October 1, 2012.

³ *ibid*

⁴ The Food Stamp Program has a \$1.79 multiplier effect estimate. Hanson, K. and Golan, E., Effects of Changes in Food Stamp Expenditures Across the U.S. Economy. Food Assistance and Nutrition Research, Report Number 26-6. Economic Research Service. United States Department of Agriculture. August 2002.

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Outlook for the Fourth Quarter of 2012 and Early 2013

The holiday season is a time when both food and fund donations typically increase for charitable food programs. Donations from the public to food banks and charitable agencies will make a significant difference during the upcoming weeks. The outlook for 2013 is mixed due to a variety of factors. First, the unemployment rate will edge down over the next two years, but at a painfully slow pace.⁵ This slow economic growth will have the effect of keeping the demand for food assistance at high levels. Second, during the past few weeks, the USDA has announced “bonus” meat purchases which will provide a much-needed source of protein food items during the next several months. Third, there continues to be a significant opportunity for the Food Bank to increase fresh produce acquisition if additional funding can be secured. Through a statewide program, the Food Bank acquires truckloads of fresh fruits and vegetables from farmers, and the opportunity exists to significantly increase this volume with additional funding. Fourth, many of the agencies served by the Food Bank appear to be more stretched from a resource standpoint than ever. In some cases, agencies have closed their doors or cut back significantly on services provided due to decreased funding and other resources.

The Food Bank will continue to appeal to public and private sources to increase support. This continues to be one of the most challenging times that the Food Bank and its affiliated agencies have faced. With an estimated 1.7 million Los Angeles County residents struggling to meet their food needs, public and private support will be critical to meet the demand for food assistance for the rest of 2012 and into 2013.

Policy Brief is a publication of the Los Angeles Regional Food Bank by Michael Flood, President/CEO, Jeff Dronkers, Chief Programs and Policy Officer, Elizabeth Cervantes, Agency Relations Director, and Jessica Jones Greenholt, Policy and Outreach Manager

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Mobilizing the resources of our community since 1973

⁵ 2012-2013 Mid-Year Economic Forecast and Industry Outlook, Kyser Center for Economic Research at the LA County Economic Development Corporation, July 2012, page 45, <http://laedc.org/>